



Department of Planning, Building and Code Enforcement
801 North First Street, Room 400
San José, California 95110-1795

HOUSING OPPORTUNITIES STUDY PHASE III GENERAL PLAN REPORT

2004 Fall Hearing

Hearing Date/Agenda Number:
P.C. November 17, 2004 Item:7.e

File Number:
GP03-06-07 (HOS III)

Council District and SNI Area:
District 6 /Burbank-Del Monte SNI

Major Thoroughfares Map Number:
83

Assessor's Parcel Number(s): 264-11-084;
-085; -069; and portions of -034; and
-086.

Project Manager: Dionne E. Early

PROJECT DESCRIPTION:

General Plan amendment request to change the Land Use/Transportation Diagram on a 6.7-acre site from Combined Industrial/Commercial(Midtown Specific Plan) to Public Park/Open Space (Midtown Specific Plan)

LOCATION: South side of Auzerai Avenue between Sunol Street and Los Gatos Creek (496 Sunol Street and 830 Auzerai Avenue)

ACREAGE: 6.7

APPLICANT/OWNER:

City of San Jose/Various (San Jose Water Company; Santa Clara Valley Water District; Del Monte Corp.; CalPak Properties;)

GENERAL PLAN LAND USE / TRANSPORTATION DIAGRAM DESIGNATION:

Existing Designation: Combined Industrial/Commercial Proposed Designation: Public Park/Open Space

EXISTING ZONING DISTRICT(S): HI Heavy Industrial

SURROUNDING LAND USES AND GENERAL PLAN DESIGNATION(S):

North: Old Del Monte Plant; Transit Corridor Residential (20+ DU/AC)

South: Asphalt Plant/Marble Polishing; Mixed Use with No Underlying Designation/Heavy Industrial

East: Los Gatos Creek; Public Park/Open Space (Midtown Specific Plan)

West: Tow Truck Company/Various Industrial Uses; Combined Industrial/Commercial (Midtown Specific Plan)

ENVIRONMENTAL REVIEW STATUS:

The Housing Opportunities Study Phase III EIR is pending certification on November 17, 2004.

PLANNING STAFF RECOMMENDATION:

Public Park/Open Space (Midtown Specific Plan)

Approved by:

Date:

PLANNING COMMISSION RECOMMENDATION:

CITY COUNCIL ACTION:

CITY DEPARTMENT AND PUBLIC AGENCY COMMENTS RECEIVED:

- Parks, Recreation and Neighborhood Services Department (PRNS) — As part of the pending zoning on the adjacent site to the north of this site, KB Homes has offered to secure and dedicate 2.2 acres of this amendment site (GP03-06-07) to the City as a future neighborhood park. PRNS staff has reviewed this location for a future park and is supporting the proposed plan.
- Parks Commission — The Parks Commission supports this amendment change and has suggested acquiring the portion not proposed for park development by KB Homes with in-lieu fees generated from other residential projects in this vicinity. Continued conversion to residential uses will create the need for parkland in the area in the future.
- Department of Public Works (DPW) — This site is in a State liquefaction zone.
- San Jose Fire Department — The Fire Department reserves the right to comment at a future date.
- Department of Transportation (DOT) — The estimated number of new PM peak hour trips resulting from the proposed land use change is below the exemption threshold established for this area and therefore is exempt from a computer model traffic impact analysis.
- The Office of Economic Development (OED) — In verbal discussions, OED staff recommended preserving Combined Industrial/Commercial sites in the Midtown area for commercial opportunities.

GENERAL CORRESPONDENCE:

1. At the Housing Opportunities Study Phase III EIR scoping meeting held January 21, 2004, general concerns were raised regarding the need for more public outreach, the potential loss of small businesses and jobs from conversion of employment lands to housing, potential nuisances and inadequate open space to serve new residents, increased traffic, and over-reliance on public transit. Written correspondence on these issues from members of the public was also sent to Planning staff.
2. At the Housing Opportunities Study Phase III Community Organizations Roundtable held March 30, 2004, the following comments were raised by those in attendance:
 - Lack of open space and/or parkland in District 6;
 - Need for more public outreach and education regarding City of San Jose Planning methods and processes;
 - Analyze transportation alternatives such as bus ridership, pedestrian access and bike lanes and trails;
 - Improve implementation of smart growth concepts at development stage;
 - Potential for “instant slums” being created by high-density residential development;
 - The likeliness that BART will get funding and be extended to San Jose;
 - Loss of jobs and neighborhood-based services currently available in Midtown area should area be developed as housing;
 - Possibility of reusing older warehouses in Midtown area; and
 - Need for more street trees and urban habitats.

Questions relating to the above-mentioned issues were answered during the meeting and in the EIR.

3. As a result of internal discussions with City of San Jose Planning staff and OED staff, four of the six proposed General Plan amendments (GP03-06-03, GP03-06-04, GP03-06-05, and GP03-06-06) in the Midtown area (District 6) were withdrawn during the Draft EIR comment period. These amendment sites were within close proximity to the subject site.

Originally the site for the subject General Plan amendment, File No. GP03-06-07, included a 0.43-acre parcel on the south side of West Home Street (802 West Home Street) owned by James McCarthy. During several phone conversations and e-mail exchanges, Mr. McCarthy stated that his primary concern was conversion of his relatively small property (0.43 acres) to Public Park/Open Space. Mr. McCarthy said this designation would

severely reduce the value of his property by limiting potential future owners to very few uses. Staff explained to Mr. McCarthy that industrial uses could continue on the site indefinitely, even under a new owner, because the property has a zoning designation of Heavy Industrial. However, in response to Mr. McCarthy's concerns, staff has deleted his property from the proposed change to Public Park/Open Space.

A representative of the Del Monte Corporation also called regarding the subject amendment (GP03-06-07) and its effects on the ability to lease existing warehouse structures that are currently unoccupied and located on the subject site. Staff explained to the representative that if this change is approved that, as long as the zoning district remained HI Heavy Industrial, only expansion of the existing structure or complete redevelopment of the subject site would cause the owners to adhere to the new General Plan land use designation of Public Park/Open Space. Staff also confirmed that interior renovation and continued operation in the existing HI Heavy Industrial zoning district would not be affected by the General Plan change, should it be confirmed. However, if the existing structures on the site are demolished, and if the site is vacant and remains so for more than 6 months, then any legal nonconforming use status would elapse.

ANALYSIS AND RECOMMENDATIONS:

RECOMMENDATION

Staff recommends the General Plan Land Use/Transportation Diagram designation for the subject site be changed from Combined Industrial/Commercial (Midtown Specific Plan) to Public Park/Open Space (Midtown Specific Plan).

The land use change to Public Park/Open Space for the site is appropriate for the following reason:

Midtown Specific Plan Policy No. 1.1—At least 13.5 acres of public park should be provided within Midtown. This policy, part of the approved Midtown Specific Plan, calls for 13.5 acres of public park. Figure 18 from the Midtown Specific Plan (reprinted on page 9 of this staff report) illustrates the location and distribution of the parks. Implementation of two of the parks, Cahill West Park (1) and Sears/Saddlerack Park (3) (O'Connor Park) are near completion and each were implemented with smaller areas than described in the approved plan. Cahill West Park, (Cahill Park) initially planned to be 6.0 acres, was approved with an area of approximately 2.7 acres. Sears/Saddlerack Park (O'Connor Park) proposed to be 2.5 acres, was approved with an area of approximately 2.0 acres. Currently, Proposed Park site 2, planned to be 5.0 acres, is still actively being used as a fire department training facility. With or without the implementation of the planned 5.0-acre park, the Midtown Specific Plan area falls approximately 4.0 acres short of its 13.5-acre goal.

PROJECT DESCRIPTION

This is a staff initiated General Plan amendment to change the Land Use/Transportation Diagram designation from Combined Industrial/Commercial to Public Park/Open Space (Midtown Specific Plan) on a 6.7-acre site. This site is located at on the south side of

Auzerais Avenue between Sunol Street and Los Gatos Creek within the Midtown Specific Plan area.

The *Midtown Specific Plan* originally designated the subject site as Combined Industrial/Commercial and therefore an amendment to the *Midtown Specific Plan* is required to update the document.

The proposed land use designation of Public Park/Open Space is intended for those portions of the Midtown Specific Plan area that are targeted for parks. Within these areas, limited development of public facilities such as community centers, interpretive centers, and shelters could be permitted, subject to the provisions of the Community Facilities Element of the Midtown Specific Plan.

The Land Use Matrix of the Midtown Specific Plan specifically lists community centers, interpretive centers, childcare, and parks and recreation as allowable uses for land with a Public Park/Open Space designation.

BACKGROUND

This General Plan amendment is a result of the Housing Opportunity Study Phase III. In January 2000, the City Council directed Planning staff to conduct the Housing Opportunity Study (HOS). The HOS is modeled on the successful Housing Initiative Study that was completed for the Guadalupe Light Rail Transit Corridor in April 1991. The HOS is a proactive approach to facilitate increased housing production, support transit with appropriate development intensities, and further the City's longstanding policy of infill development. The HOS seeks to identify specific vacant or underutilized parcels, particularly within or near Transit-Oriented Development (TOD) Corridors that would be suitable for higher density or mixed-use development. These TOD Corridors include the Guadalupe, Stevens Creek Boulevard/West San Carlos Street, Santa Clara Street/Alum Rock Avenue, Winchester Boulevard, Capitol Avenue/Expressway, and the Vasona Light Rail line.

The HOS has three phases, with each phase evaluating different TOD Corridors. The first phase, which focused on the Capitol Avenue/Expressway TOD Corridor, was completed in 2001. Phase II focused on the Stevens Creek Boulevard/West San Carlos Street and Santa Clara Street/Alum Rock Avenue TOD Corridors. Phase III is focused on underutilized lands near existing light rail stations and future BART Station locations throughout San Jose. This General Plan amendment is one of the proposed amendments in Phase III.

Site and Surrounding Uses

The subject site is located near existing commercial and employment centers and along the nearly complete Vasona Light Rail Transit line. The proposed land use is compatible with the future surrounding land uses, and can act as a buffer between existing industrial

land uses to the south and west and the pending planned residential development to the north.

The subject site consists of large unoccupied industrial buildings built in the early 1960s and late 1970s for use by the Del Monte Corporation. The eastern portion of the site near Los Gatos Creek is owned by the San Jose Water Works. Portions of the property are planned for development as part of the Los Gatos Creek Trail, which is being implemented through the City of San Jose Parks, Recreation and Neighborhood Services Department. West of the subject site across Sunol Street, a tow truck company and various industrial uses occupy the land directly adjacent to the nearly complete Vasona extension of the VTA light rail line. South of the subject site across West Home Street, a marble polishing company and Reed & Graham's asphalt production facility operate. North of the site is also Del Monte property that was part of a General Plan amendment (GP00-06-01b) approved in 2001 that change the land use designation on the site from Combined Industrial Commercial to Transit Corridor Residential (20+ dwelling units per acre). The site is also currently part of a pending Planned Development zoning initiated by KB Homes to build high-density residential housing. To meet the parkland requirements for the planned housing, KB Homes has offered to secure and dedicate 2.2 acres of the subject General Plan amendment site to the City as a future neighborhood park. The proposed amendment would be consistent with that proposal. If that KB Homes proposal ultimately is not approved, other uses could be made of the site as described elsewhere in this report.

ANALYSIS

Evaluation of Industrial Land Conversions



With the downturn in the economy, there are many vacant or underutilized industrial sites in San Jose. Staff has received approximately twenty-five General Plan amendments in the past year proposing the conversion of approximately 800 acres of industrial land to residential or commercial uses. As a result, staff has identified key issues that need to be

evaluated for each conversion proposal. The criteria assess a range of factors including:

- Consistency with the City's Policies, Goals, and Strategies.
- The contribution to San Jose's economy of the applicable subarea.
- Proximity to compatible and incompatible land uses.
- Proximity to neighborhood services and transit.
- Potential for inducement of additional conversions.

A discussion of each of these factors is included below.

Consistency with the San Jose 2020 General Plan Major Strategies, Goals, and Policies

The Major Strategies and Goals and Policies of the *San Jose 2020 General Plan* support infill residential development in appropriate areas of the City and encourage sustainable practices, such as orienting residential development near transit facilities and existing retail and commercial uses. This approach helps to increase the availability of transit and the implementation of bicycle and pedestrian connections. The results are shortened trip lengths, and a reduction in the number of vehicular trips, thereby conserving energy and improving water and air quality.

Major Strategies

The San Jose 2020 General Plan has seven Major Strategies that identify the principal objectives of the Plan. Of those seven, this amendment directly relates to three Major Strategies: **(1)** Growth Management; **(2)** Housing; and **(3)** Sustainable City.

The proposed amendment is supportive of the Growth Management Major Strategy that seeks to find the balance between the need to house new population and the need to balance the City's budget, while providing acceptable levels of service. The amendment site is located within an area where urban facilities and services are already available; any infill development on this site supports the intent of the Growth Management Major Strategy.

The proposed amendment is also supportive of the Housing Major Strategy that seeks to maximize the housing opportunities on infill parcels already served by the municipal services. A change in the land use designation to Public Park/Open Space would provide the opportunity for public parkland to serve existing and future residents on infill sites in the surrounding neighborhood. This designation should not cause a takings concern in this specific plan area as the language in the document provides that until a public entity owns the land, it can be development consistent with adjacent uses.

The Sustainable City Major Strategy seeks to reduce traffic congestion, pollution, wastefulness, and environmental degradation of our living environment. The amendment site is located within the Central planning area of the City and within close proximity to existing bus and rail transit. Locating development in already urbanized areas and around transit contributes to sustainability by shortening trip lengths and providing for the

availability of different modes of transportation such as public transit, biking, and walking. This in turn helps to conserve energy and improve air quality.

Goals and Policies

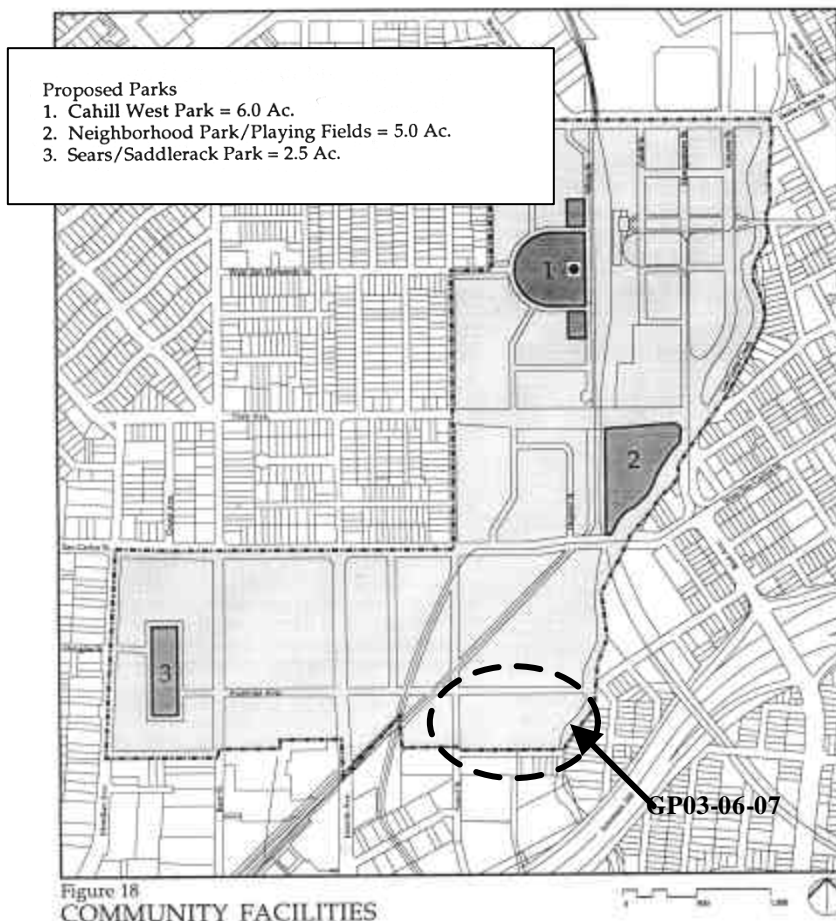
The proposed land use change on the subject site is consistent with the General Plan's Goals and Policies. Of particular importance is consistency with the following goals and policies:

- ***Parks and Recreation Goal.*** Provide park lands and recreation areas which enhance the livability of the urban environment by providing parks for residential neighborhoods, preserving significant natural, historic, scenic and other open space resources, and meeting the open space and recreation services needs of community residents.
- ***Parks and Recreation Policy No. 1.*** The City should consider as an objective the provision of neighborhood or community park within reasonable walking distance for each resident. That portion of a Citywide or regional park that provides recreational accessibility for nearby residents in the same manner as a neighborhood or community park should be considered as meeting this objective.
- ***Parks and Recreation Policy No. 15.*** In the design of parks, consideration should be given to providing features, facilities, and services that promote tourism and make San José an attractive location for economic development as well as serve the needs of San José residents.
- ***Parks and Recreation Policy No. 16.*** The City should facilitate the creation and improvement of neighborhood and community parks by using the Parkland Dedication Ordinance, the Parallel Impact Fee Ordinance, and the Construction and Conveyance Tax.
- ***Parks and Recreation Policy No. 18.*** In the planning of future park expenditures, the provision of new park and recreation facilities and improvements in park deficient areas should be considered a top priority.
- ***Trails and Pathways Goal.*** Provide a network of trails and pathways throughout the City in order to maximize the City's recreational opportunities and to provide alternate means of both commuting and reaching regional parks and other natural areas.
- ***Urban Design Policy No. 4.*** This policy states that residential developments adjacent to parks or open spaces should be encouraged to provide direct access to, and common open space contiguous to, such areas.

- **Neighborhood Identity Policy No. 4.** Neighborhoods should include places for interaction among residents such as parks, community centers, schools, commercial areas, churches, and other gathering points.
- **City Level of Service goals for Parks and Recreation.** Provide 3.5 acres of neighborhood and community serving recreational lands per 1,000 population, of which a minimum is 1.5 acres of neighborhood, community or locally serving regional/City-wide park lands located within a reasonable walking distance of the project; 7.5 acres of regional/ Citywide park lands per 1,000 population; and 500 square feet of community center floor area per 1,000 population.

The proposed land use change is also consistent with the General Plan Balanced Community Goal, which states, “Develop a balanced and complete community in terms of land use distribution and densities, housing types and styles, economic development and job opportunities and opportunities for social and cultural expression.” As Public Park/Open Space the subject site will help to connect existing and future residential, commercial and industrial neighborhoods to pedestrian pathways such as the Los Gatos Creek Trail and thus strengthen the neighborhood’s character and connection to downtown.

Consistency with the Midtown Specific Plan



The proposed General Plan amendment would help meet the Plan Objectives of the Land Use Diagram: Midtown Specific Plan in the San Jose 2020 General Plan. These Objectives are as follows:

- Create a pattern of development that reinforces transit.
- Create an extensive system of pedestrian pathways and open space.
- Balance circulation needs with considerations of livability.
- Complement and extend adjacent residential and commercial areas surrounding Midtown.

Figure 1. Community Facilities map from Midtown Specific Plan illustrating distribution of 13.5 acres of parkland called for in the plan.

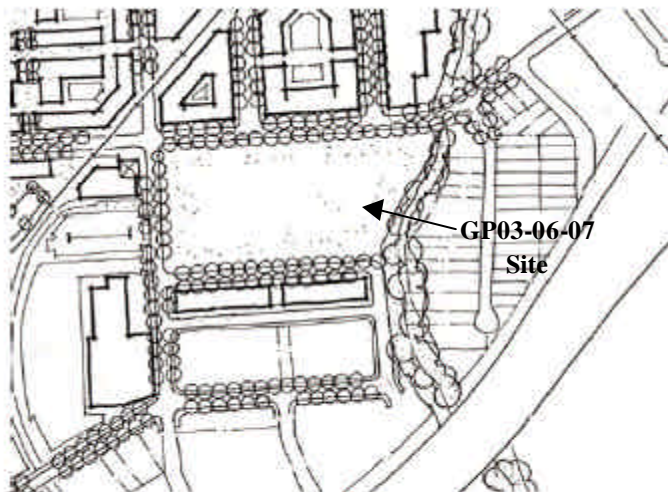
The subject site is currently designated Combined Industrial/Commercial and the proposed land use designation change to Public Park/Open Space requires an amendment to the General Plan to update Map 9, Midtown Planned Residential Community, Specific Land Use Plan adopted December 8, 1992 (see attachment) to reference the amended land use designation.

Midtown Specific Plan Policy No. 1.1 states that at least 13.5 acres of public park space should be provided within the Midtown area. Figure 18, on page 89 of the Midtown Specific Plan illustrates the distribution of parkland over three locations. Implementation of two of the parks, Cahill Park (1-Cahill West Park) and O'Connor Park (3-Sears/Saddlerack Park) are near completion and each was implemented with smaller land dedication than described in the approved plan. Cahill Park, initially planned to be 6.0 acres, was approved with an area of approximately 2.5 acres. O'Connor Park, initially planned to be 2.5 acres, was approved with an area of approximately 2.0 acres. Currently, "Proposed Parks" site 2, planned to be 5.0 acres, is still actively being used as a fire department training facility. With or without the implementation of that site as a park, the Midtown Specific Plan area falls approximately 4.0 acres short of its 13.5-acre goal.

Consistency with Burbank-Del Monte Strong Neighborhoods Initiative Neighborhood Improvement Plan

The proposed amendment is fully consistent with Goal A of the *Burbank-Del Monte Strong Neighborhoods Initiative Neighborhood Improvement Plan* (SNI Improvement Plan), which is to "develop a network of parks, residential pocket parks, community gardens and transit-oriented parks/plazas where possible throughout the neighborhood." The SNI Improvement Plan specifically identifies securing the subject site for a neighborhood park as top priority action number 10 in the "Strategic Action Plan" section of the SNI Improvement Plan document. In fact, a conceptual plan for the park is included as an illustration in the document.

Contribution to San Jose's Economy of the Applicable Subarea



Conceptual plan for new public neighborhood park at Auzerals Ave. adjacent to Los Gatos Creek at the old Del Monte site.

The subject site is located in the Midtown portion of Central San Jose 1 Subarea. The Office of Economic Development has identified this portion of the subarea as appropriate for consideration for commercial opportunities that would contribute to San Jose's economy.

According to the "Framework, as a Guideline, to Evaluate Proposed Conversions of Employment

Lands to Other Uses,” (Framework) this subarea fits within Category One, “Subareas to promote or facilitate conversion to housing, retail, mixed use, or other Household-Serving Industries.” The Framework specifically identifies the Midtown portion of Central San Jose 1 Subarea as a location to consider additional opportunities for housing, retail, civic, and/or employment uses (beyond existing and planned land uses) to support the Downtown, transit investments, and West San Carlos Neighborhood Business District.

The Framework provides additional criteria for assessment that include the availability of neighborhood services, and residential and commercial mixed-use drivers. Issues identified in the Framework include:

Where are the nearest existing and/or planned neighborhood serving retail, parks, libraries, schools, open space/trails, etc.? How would the proposed conversion potentially enhance city services (e.g., by creating or improving neighborhood parks)? Does the proposed conversion offer or facilitate a unique and significant public benefit?

The proposed conversion would provide a significant public benefit by creating the potential for a neighborhood park and would facilitate the implementation of planned open space/trails.

Potential for Inducement of Additional Conversion

The land use designation of Public Park/Open Space is not inherently incompatible with the surrounding industrial land use designations, and the proposed land use conversion would respond to the demand for public parks in the neighborhood. Both existing residents and employees would benefit from the additional parkland.

City staff is mindful of the City’s goal to preserve employment lands for economic development. As mentioned previously in this staff report, as a result of internal discussions with Planning staff and the Office of Economic Development, four of the six proposed General Plan amendments (GP03-06-03, GP03-06-04, GP03-06-05, and GP03-06-06) in the Midtown area were withdrawn from consideration by City staff during the Draft EIR comment period in order to preserve Combined Industrial/Commercial sites in the Midtown area for commercial opportunities. These amendment sites were within close proximity to the subject site. Planning staff believes that the existence of a public park would provide a public benefit that may in fact help attract commercial uses to these other sites.

ENVIRONMENTAL REVIEW

The Housing Opportunity Study Phase III Environmental Impact Report (EIR) was prepared in conformance with the California Environmental Quality Act (CEQA). The EIR provides program level environmental review appropriate for the adoption of amendments to the San Jose 2020 General Plan. The EIR analyzed impacts and proposed mitigation measures, where possible, on the following items:

- Land Use
- Transportation
- Air Quality
- Noise
- Geology And Soils
- Cultural Resources
- Hydrology
- Public Services And Facilities
- Hazardous Materials
- Vegetation And Wildlife

The EIR identified four cumulative significant impacts including transportation, air quality, public services and facilities and jobs/housing imbalance for the HOS III sites.

The Housing Opportunities Study Phase III Environmental Impact Report scoping meeting was held on January 21, 2004. The Notice of Availability of Draft Environmental Impact Report (EIR) and Public Comment Period was published in the San Jose Mercury News on August 13, 2004.

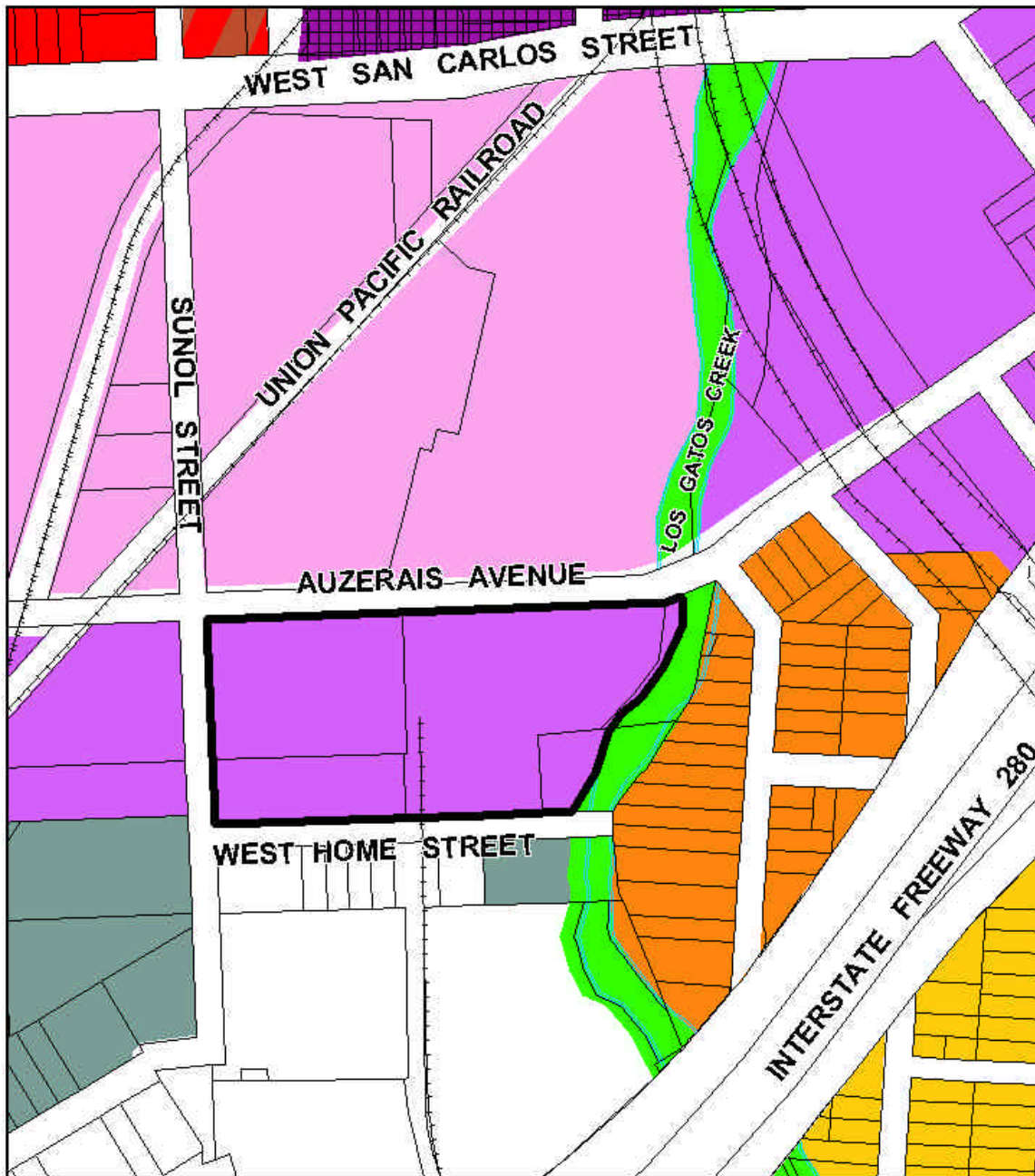
PUBLIC OUTREACH

The property owners and occupants within a 1,000-foot radius were sent a newsletter regarding the two community meetings that were held on October 6 and 7, 2004. They also received a notice of the public hearings to be held on the subject amendment before the Planning Commission on November 17, 2004 and City Council on December 7, 2004. The Department web site contains information regarding the General Plan process, amendments, staff reports, and hearing schedules. This web site is available to any member of the public and contains the most current information regarding the status of the amendments.

Additionally, as mentioned above in the Environmental Review section of this staff report, staff hosted an EIR scoping meeting on January 21, 2004, and a community organization roundtable discussion on March 30, 2004. Invitees included interested citizens and neighborhood organization leaders and contact people. Staff also made a presentation to the Burbank-Del Monte Neighborhood Association on August 7, 2004.

Attachments : Parks and Recreation Commission letter;
Department of Public Works;
San Jose Fire Department;
Department of Transportation;
Valley Transportation Authority.

GP03-06-07



Department of Planning, Building
and Code Enforcement
Planning Services Division

 Sites



Scale: 1" = 250'
Quad: 83